

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2962 - HB 3255

March 8, 2012

SUMMARY OF BILL: Reduces the realty transfer tax by any amount considered "a major fraction thereof," as it applies to the current rate of 37 cents per \$100 of consideration. Reduces the mortgage recordation tax by any amount considered "a major fraction thereof," as it applies to the current rate of 11.5 cents per \$100 of indebtedness.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The majority of realty transfer tax and mortgage recordation tax is collected by county clerks.
- According to the County Technical Assistance Service (CTAS), this bill codifies current county clerk practice.
- According to the Department of Revenue (DOR), approximately 50 percent of transactions have a fractional value above \$50 and approximately 50 percent of transactions have a fractional value below \$50. DOR indicates that removing the tax on the fractional value would have no significant impact on state revenue.
- Based on information received by CTAS and DOR, the fiscal impact for this bill is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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